

COURT FILE NUMBER 2401-09688

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

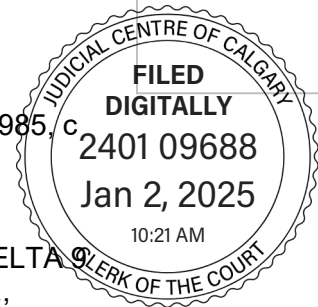
IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9 CANNABIS
STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.

DOCUMENT **APPLICATION FOR SAVO & ARVO**

ADDRESS FOR SERVICE **MLT AIKINS LLP**
AND CONTACT Barristers and Solicitors
INFORMATION OF #2100 – 222 3rd Ave SW
PARTY FILING THIS Calgary, AB T2P 0B4
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File No. 0136555.00034



Clerk's stamp

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: January 10, 2025
Time: 10:00 a.m. MST
Where: Calgary Courts Centre via WebEx Virtual Courtroom 60:
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before: The Honourable Justice M.A. Marion

Go to the end of this document to see what you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

1. The Applicants, Delta 9 Cannabis Inc. (“**Delta 9**”), Delta 9 Logistics Inc. (“**Logistics**”), Delta 9 Bio-Tech Inc. (“**Bio-Tech**”), Delta 9 Lifestyle Cannabis Clinic Inc. (“**Lifestyle**”), and Delta 9 Cannabis Store Inc. (“**Store**”, and collectively with Logistics, Bio-Tech, and Lifestyle, the “**Applicants**” or “**Delta 9 Group**”) seek the following relief:
 - (a) an Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) substantially in the form attached hereto as **Schedule “A”** (the “**SAVO Order**”) granting the following relief:
 - (i) declaring service of this Application and its supporting materials good and sufficient and, if necessary, abridging the time for notice of the Application to the time actually given; and
 - (ii) approving the sale and vesting of certain assets of Bio-Tech to 65999362 Canada Ltd. (“**659**”), contemplated in the Asset Purchase Agreement, dated December 28, 2024 (the “**APA**”) and vesting the subject assets free and clear of all claims, encumbrances, and charges (the “**659 Transaction**”);
 - (b) an Order, substantially in the form attached as **Schedule “B”** (the “**Approval and Reverse Vesting Order**”) granting the following relief :
 - (i) declaring service of this Application and its supporting materials good and sufficient and, if necessary, abridging the time for notice of the Application to the time actually given;
 - (ii) approving the sale transaction and other steps (collectively, the “**Simply Transaction**”; together with the 659 Transactions the “**Proposed Transactions**”) contemplated by the Share Purchase Agreement, dated December 28, 2024 (the “**SPA**”) between Delta 9, as vendor, Bio-Tech, and Simply Solventless Concentrates Ltd. (“**Simply**”), as purchaser, pursuant to which, among other things, Simply will obtain, on the closing of the Simply Transaction, one hundred percent of all issued and outstanding shares of Bio-Tech (the “**Purchased Shares**”);

- (iii) approving the addition of ResidualCo as an Applicant in these CCAA proceedings and vesting all Excluded Assets, Excluded Contracts, and Excluded Liabilities in ResidualCo (all as defined in the SPA and described in further detail below);
 - (iv) vesting in Simply all of Delta 9's right, title and interest in and to the Purchased Shares, free and clear of any Encumbrances (as defined in the Approval and Reverse Vesting Order);
 - (v) approving the Releases (as defined below); and
 - (vi) removing Bio-Tech as an Applicant in these CCAA proceedings;
- (c) an Order pursuant to Part 6, Division 4 of the Alberta *Rules of Court*, AR 124/2010 (the "**Rules**") substantially in the form attached hereto as **Schedule "C"** (the "**Sealing Order**") sealing the Confidential Appendices to the Sixth Report of the Monitor, to be filed (the "**Sixth Report**"); and
- (d) such further and other relief as this Court may deem just and appropriate in the circumstances.
2. Capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Seventh Affidavit of John Arbuthnot IV, sworn on December 30, 2024 (the "**Seventh Arbuthnot Affidavit**").

GROUND FOR MAKING THIS APPLICATION:

Introduction and Background

3. The Delta 9 Group is a vertically integrated group of companies in the business of cannabis cultivation, processing, extraction, wholesale distribution and retail sales. Bio-Tech holds cannabis licences from Health Canada and the CRA pursuant to the *Cannabis Act* and *Excise Act, 2001*, respectively.
4. On July 15, 2024, the Honourable Justice D.R. Mah granted an Initial Order pursuant to the CCAA (the "**Initial Order**") which, among other things, appointed Alvarez & Marsal Canada Inc. as the Monitor of the Applicants (the "**Monitor**").

5. On July 24, 2024, the Honourable Associate Chief K.G. Nielsen granted the Amended and Restated Initial Order (the “**ARIO**”) which, among other things, extended the initial stay period until September 15, 2024 and approved a sales investment and solicitation process (the “**SISP**”) in respect of the business and/or assets of Bio-Tech and a claims procedure order (the “**Claims Procedure Order**”).
6. On September 11, 2024, the Honourable Justice C. D. Simard granted the first Stay Extension Order, extending the stay of proceedings pursuant to the ARIO up to and including November 1, 2024.
7. On November 1, 2024, the Honourable Justice M.A. Marion granted the second Stay Extension Order, further extending the stay period pursuant to the ARIO up to and including January 31, 2024.

The Purchased Assets

8. Bio-Tech is the licensed producer in the Applicants’ corporate structure.
9. Bio-Tech owns and operates a 95,000 square-foot cannabis cultivation and processing facility (the “**Bio-Tech Real Property**”), which is located at 760 Pandora Avenue E, Winnipeg, Manitoba and legally described as:

Title No. 2977656/1

PARCELS A, B, C, D, E AND F PLAN 51110 WLTO EXC FIRSTLY: OUT OF SAID PARCELS A AND C ALL MINES AND MINERALS MINERAL OILS PETROLEUM GAS COAL GRAVEL AND VALUABLE STONE OF EVERY DESCRIPTION THAT MAY BE FOUND IN UPON OR UNDER SAID PARCELS A AND C TOGETHER WITH THE RIGHT TO ENTER AND REMOVE THE SAME SECONDLY: OUT OF SAID PARCELS B AND E, ALL MINES AND MINERALS AS RESERVED IN DEED 2374744 WLTO AND THIRDLY: OUT OF SAID PARCEL F, ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 2374748 WLTO IN SW 1/4 3 AND SE 1/4 4-11-4 EPM AND IN GOVERNMENT ROAD ALLOWANCE (CLOSED) BETWEEN SAID SECTIONS

(the “**Land**”).

The SISP

10. Pursuant to the SISP, the Monitor, with the assistance of Bio-Tech, was authorized to carry out and implement the SISP, and to take such steps as necessary in carrying out

their respective obligations under the SISP, subject to approval of the Court being obtained prior to the completion of any transaction resulting from the SISP.

11. The Applicants and the Monitor have worked diligently to broadly canvass the market to find parties interested in Bio-Tech's business and assets.
12. The SISP was intended to solicit interest for the sale of all or parts of Bio-Tech's business and/or property. The SISP provided the Applicants with the latitude to pursue both asset and share transactions.
13. A description of the SISP and the Monitor's evaluation of same will be particularized in the Monitor's Sixth Report. In summary, in accordance with the SISP, the Monitor and Bio-Tech:
 - (a) created a list of known potential bidders;
 - (b) distributed teaser letters and non-disclosure agreements to Known Potential Bidders and published notice of the SISP in the National Post, Insolvency Insider, and other industry publications, websites, newspapers, and journals as considered appropriate;
 - (c) prepared and made available a data room available for potential bidders;
 - (d) received, assessed, and negotiated bids in respect of the assets which are the subject of the within Application (collectively, the "**Purchased Assets**"); and
 - (e) selected successful bids in respect of the Purchased Assets.

The Proposed Transaction in respect of the Land

14. The Applicants received and accepted an offer in respect of the Bio-Tech Real Property from 659, subject to approval from this Honourable Court (the "**659 Transaction**").
15. Bio-Tech and the Monitor are of the view that the 659 Transaction is fair and reasonable, and that acceptance of the Offer and completion of the transaction contemplated therein is in the best interests of Delta 9's stakeholders.

The Proposed Transaction in respect of the Bio-Tech Shares

16. The Applicants are also seeking approval of the Simply Transaction whereby all of the Excluded Assets, Excluded Liabilities and Excluded Contracts (as all as defined in the SPA) shall be transferred from Bio-Tech to ResidualCo and Simply shall acquire all of the shares of Bio-Tech such that it will be the sole shareholder of Bio-Tech which will only have the Retained Assets, Retained Liabilities and Retained Contracts (all as defined in the SPA) following closing.
17. The Simply Transaction is the best overall consideration received for Bio-Tech following the closing of the 659 Transaction, taking into account the purchase price and amount of liabilities being assumed.
18. The Simply Transaction is to be implemented by way of a “reverse vesting” transaction.
19. A reverse vesting transaction maximizes the value of Bio-Tech for the benefit of Delta 9’s creditors as it will allow Bio-Tech, which operates in a highly regulated environment, to maintain its licenses without the additional delay, costs, and uncertainty associated with getting the same transferred to a third party.
20. The RVO produces an economic result more favourable than any other viable alternative, and no stakeholder is materially worse off than they would have been under an alternative sale structure.
21. The Simply Transaction is supported by both the Plan Sponsor and the Monitor.

The Proposed Releases in the Approval and Reverse Vesting Order

22. The Applicants seek the issuance of releases in favour of the current directors and officers of Bio-Tech, Bio-Tech’s legal counsel and advisors, the Monitor and its legal counsel and Bio-Tech (collectively, the “**Released Parties**”) in respect of the Released Claims (as defined in the proposed Approval and Reverse Vesting Order).
23. The Releases are being sought to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the circumstances.
24. The Releases sought are appropriate, given the significant and material contributions of the Released Parties in connection with the CCAA proceedings, the maximizing of value

to all stakeholders, and the significant value generated by the Proposed Transactions, which will allow the majority of the Delta 9 Group to continue their operations as a going concern.

25. The D&O Released Claims include:

- (a) releases of Directors and Officers from claims arising from or in connection with Bio-Tech's excise tax arrears. The Simply Transaction does not provide sufficient consideration to pay out excise tax arrears; and
- (b) releases of Directors and Officers from or in connection with source deductions liability (being Bio-Tech's unpaid source deductions of \$18,000 as of the initial filing date). The Simply Transaction does not provide sufficient consideration to pay out the source deductions liability.

26. The Directors and Officers are insured under an insurance policy. Thus, the excise tax liability and the source deductions liability may be pursued as an insured claim.

27. The D&O Released Claims do not provide a release of: (a) gross negligence or wilful misconduct on the part of any of the Released D&Os; (b) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) any action, application or other proceeding in respect of any claim or liability which is an insured claim.

ResidualCo Should be Added as an Applicant

28. To complete the Simply Transaction, all Excluded Contracts, Excluded Assets, and Excluded Liabilities with respect to Bio-Tech will be transferred and vested out into ResidualCo to allow Simply to indirectly acquire Bio-Tech's business and assets on a free and clear basis.

29. The CCAA applies to a "debtor company" or affiliated debtor companies where the total claims against the debtor or affiliated debtors exceed \$5 million. Upon the transfer of all of the Excluded Contracts, Excluded Assets, and Excluded Liabilities to ResidualCo, the realizable value of its assets will be insufficient to satisfy all of their obligations and it will be unable to meet its obligations as they generally come due (once the stay of proceedings is lifted). ResidualCo will therefore be insolvent and face an imminent liquidity crisis, making it a debtor company to which the CCAA applies.

30. ResidualCo should, therefore, be added as an Applicant in these CCAA proceedings and the style of cause should be amended accordingly.

Sealing Relief

31. The Confidential Appendices to the Sixth Report (collectively, the “**Confidential Materials**”) contain confidential information regarding the value of the Purchased Assets, the disclosure of which is likely to materially jeopardize the value which Bio-Tech might subsequently obtain in respect of the assets if the Proposed Transactions do not close and the Monitor and Bio-Tech are then required to further market the Purchased Assets.
32. The relief, if granted, would only seal the Confidential Materials until the closing of the Proposed Transactions, a date certain, or upon further Order of the Court.
33. The proposed Sealing Order is the least restrictive and prejudicial alternative to prevent the dissemination of such information.

Material or evidence to be relied on:

34. The Seventh Affidavit of John Arbuthnot, sworn on December 30, 2024, to be filed;
35. The Sixth Report of the Monitor, to be filed;
36. The Brief of Law of the Applicants; and
37. Such further and other materials as counsel for the Monitor or the Applicants may advise and this Honourable Court may permit.

Applicable rules:

38. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

39. The *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36; and
40. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

41. None.

How the application is proposed to be heard or considered:

42. By WebEx videoconference before the Honourable Justice M.A. Marion pursuant to the WebEx details enclosed hereto at **Appendix "A"**.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

Appendix “A” – WebEx Details

The above booking is Confirmed

File #(s) : 2401 09688

Style of Cause: DELTA 9 CANNABIS INC. v. COMPANIES' CREDITORS ARRANGEMENT
ACT

Date/Duration:

January 10, 2024

Total: 240 Minute(s)

Booking Type/List: Commercial

Purpose of Hearing: Commercial Hearing

Counsel: Molly Gretna Heather McIntosh; Ryan Zahara; Christopher Allan Nyberg; David
LeGeyt; Ryan Edward Algar; Jennifer Nicole Deyholos; James William Reid; Sean Francis
Collins; Ashley Elizabeth Bowron;

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

SCHEDULE "A"

Form of Sale Approval and Vesting Order

COURT FILE NUMBER 2401-09688
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9 CANNABIS
STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE **MLT AIKINS LLP**
AND CONTACT Barristers and Solicitors
INFORMATION OF #2100 – 222 3rd Ave SW
PARTY FILING THIS Calgary, AB T2P 0B4
DOCUMENT Attention: Ryan Zahara / Molly McIntosh
Telephone: (403) 693-5420 / (780) 969-3501
Email: rzahara@mltaikins.com
mmcintosh@mltaikins.com
File No. 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JANUARY 10, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE M.A. MARION

UPON THE APPLICATION of Delta 9 Cannabis Inc. ("**Delta 9**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Store Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**" and collectively, with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Applicants**" or the "**Delta 9 Group**") for approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Sale Agreement**") between Bio-Tech and 65999362 Canada Ltd. (the "**Purchaser**") and vesting in the Purchaser Bio-Tech's right, title and interest in and to the assets described in the Sale Agreement

(the “**Purchased Assets**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended; **AND UPON** having read the Seventh Affidavit of John Arbuthnot, sworn on December 30, 2024 (the “**Seventh Affidavit**”), the Sixth Report of Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as the monitor (the “**Monitor**”) dated December ____, 2024 (the “**Sixth Report**”), the Confidential Appendices to the Sixth Report, and the Affidavit of Service of _____, sworn on January ____, 2025; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and all other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by Bio-Tech is hereby authorized and approved, with such minor amendments as the parties may deem necessary. Bio-Tech is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Monitor’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Monitor’s Closing Certificate**”), all of the Bio-Tech’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- a. any encumbrances or charges created by the ARIO or any other Order granted in the CCAA Proceedings;
- b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (Manitoba), or any other equivalent personal property registry system in Canada ;
- c. any liens or claims of lien under the *Prompt Payment and Construction Lien Act*, RSA 2000, c P-26.4 (Alberta) or any such similar legislation in any other jurisdiction in Canada; and
- d. those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, the **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

- 4. Upon delivery of the Monitor’s Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Monitor’s Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- a. the Manitoba Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - i. cancel existing Certificate of Title No. 2977656/1 for those lands and premises municipally described as 760 Pandora Ave E, Winnipeg, Manitoba, and legally described as:

PARCELS A, B, C, D, E AND F PLAN 51110 WLTO EXC FIRSTLY: OUT OF SAID PARCELS A AND C ALL MINES AND MINERALS MINERAL OILS PETROLEUM GAS COAL GRAVEL AND

VALUABLE STONE OF EVERY DESCRIPTION THAT MAY BE FOUND
IN UPON OR UNDER
SAID PARCELS A AND C TOGETHER WITH THE RIGHT TO ENTER
AND REMOVE THE SAME
SECONDLY: OUT OF SAID PARCELS B AND E, ALL MINES AND
MINERALS AS RESERVED IN
DEED 2374744 WLTO AND THIRDLY: OUT OF SAID PARCEL F, ALL
MINES AND MINERALS
AS SET FORTH IN TRANSFER 2374748 WLTO IN SW 1/4 3 AND SE 1/4
4-11-4 EPM AND IN GOVERNMENT ROAD ALLOWANCE (CLOSED)
BETWEEN SAID SECTIONS

(the “**Property**”);

- ii. issued a new Certificate of Title for the Property in the name of the Purchaser (the “**New Certificate of Title**”);
 - iii. transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
 - iv. discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluded Permitted Encumbrances) which may be registered after the date of the APA against the existing Certificate of Title to the Lands;
- b. the Registrar of the Alberta Personal Property Registry and the Manitoba Personal Property Registry, and any other equivalent provincial/territorial personal property registry system in Canada, shall and is hereby directed to forthwith cancel and discharge any registrations at the applicable registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Bio-Tech in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Monitor’s Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any

of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by Bio-Tech of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Monitor, in its capacity as the Monitor of the Applicants, and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.
9. Except as expressly provided for in the APA, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Bio-Tech.
10. Upon completion of the Transaction, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets,

and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Bio-Tech, or any person claiming by, through or against the Applicants.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against Bio-Tech associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Notwithstanding:
 - a. the pendency of these proceedings and any declaration of insolvency made herein;
 - b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order pursuant to any such applications;
 - c. any assignment in bankruptcy made in respect of the Debtor; and
 - d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Applicants, the Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary

in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Applicants, as may be necessary or desirable to give effect to this Order or to assist the Applicants and their agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
 - a. Serving the same on:
 - i. the persons listed on the service list created in these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order;
 - iv. the Purchaser or the Purchaser's solicitors; and
 - b. Posting a copy of this Order on the Monitor's website at:
<https://www.alvarezandmarsal.com/Delta9>,and service on any other person is hereby dispensed with.
18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
(to Sale Approval and Vesting Order)

Form of Monitor's Certificate

COURT FILE NUMBER 2401-09688

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, AS
AMENDED

Clerk's Stamp

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF DELTA 9 CANNABIS INC.,
DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC.,
DELTA 9 LIFESTYLE CANNABIS CLINIC INC., and
DELTA 9 CANNABIS STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC., and DELTA 9 CANNABIS
STORE INC.

DOCUMENT **MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE MLT Aikins LLP
AND CONTACT 2100 – 222 3rd Ave SW
INFORMATION OF PARTY Calgary, AB T2P 0B4
FILING THIS DOCUMENT Attention: Ryan Zahara/Molly McIntosh
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 File: 0136555.00034

RECITALS

- A. Pursuant to an Order of the Honourable Justice M.A. Marion, of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated January 10, 2025 (the "**SAVO**"), the Court approved the agreement of purchase and sale made as of December 27, 2024 (the "**Sale Agreement**") between Delta 9 Bio-Tech Inc. ("**Bio-Tech**") and 65999362 Canada Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of Bio-Tech's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate

confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing of the Sale Agreement have been satisfied or waived by Bio-Tech and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

- B. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement and the SAVO.

THE MONITOR CERTIFIES the following:

1. the Purchaser has paid Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Bio-Tech and the Purchaser; and
3. the Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at _____ on _____.

Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed Monitor of the Applicants, and not in its personal capacity or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "B"

(to Sale Approval and Vesting Order)

Purchased Assets

"Purchased Assets" means all of the Vendor's right, title and interest, if any, in and to the properties, rights, assets, and undertakings listed in Schedule "A". For certainty, the Purchased Assets do not include the Excluded Assets.

Where **"Excluded Assets"** is defined as all Liabilities of any kind or nature whatsoever (whether director or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, mature or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against the Vendor that are not Assumed Liabilities.

Schedule "A" provides:

The land and property civically addressed as 760 Pandora Avenue E, Winnipeg, MB and legally described as (the **"Land"**):

Title No. 2977656/1

PARCELS A, B, C, D, E AND F PLAN 51110 WLTO EXC FIRSTLY: OUT OF SAID PARCELS A AND C ALL MINES AND MINERALS MINERAL OILS PETROLEUM GAS COAL GRAVEL AND VALUABLE STONE OF EVERY DESCRIPTION THAT MAY BE FOUND IN UPON OR UNDER SAID PARCELS A AND C TOGETHER WITH THE RIGHT TO ENTER AND REMOVE THE SAME
SECONDLY: OUT OF SAID PARCELS B AND E, ALL MINES AND MINERALS AS RESERVED IN DEED 2374744 WLTO AND THIRDLY: OUT OF SAID PARCEL F, ALL MINES AND MINERALS AS SET FORTH IN TRANSFER 2374748 WLTO IN SW 1/4 3 AND SE 1/4 4-11-4 EPM AND IN GOVERNMENT ROAD ALLOWANCE (CLOSED) BETWEEN SAID SECTIONS

The Purchased Assets will include, without limitation, if appropriate, all buildings, structures, erections, improvements, appurtenances and fixtures situated in or upon all of the Land and all systems, machinery and equipment used or intended to be used in connection with the operation and maintenance thereof, including, but not limited to, all electrical fixtures, security cameras, panels and switch boxes, heating fixtures and equipment, air conditioning units and equipment, fencing, plumbing and bathroom fixtures as installed, screens, storm windows and doors, window blinds, partitions, power wiring and installations, pumps and compressors, and appliances if appropriate, all of which are now situate on the Land and are to be free and clear of all liens, charges, encumbrances and security interests excepting the Permitted Encumbrances.

Main electrical room and contents within.

Secondary electrical rooms and contents within.

Sub electrical panels attached to building walls or posts

Lighting inside and outside the building but not in containers.

Sprinkler headers, sprinkler lines and system outside of containers.

Chillers installed into the roof of the building.

Wells and well pumps coming out of ground and leading into the ground.
Ventilation equipment attached to the inside of the building.
Domestic water lines leading to bathrooms, sinks, cleaning rooms, etc.
Indifferent to burglar alarm system.
Office structures, walls, empty rooms within the building.
Bathrooms inside and attached to the exterior of the building.
Heating equipment inside the building but outside of containers.
Monitoring equipment for fire, CO2, low temp, etc.
Cable tray
Emergency lighting
Air compressor.

SCHEDULE "C"**(to Sale Approval and Vesting Order)****Dischargeable Encumbrances on Title**

Registration No.	Date (D/M/Y)	Particulars
5411011/1	31/3/2022	Mortgage to Connect First Credit Union Ltd.
5411012/1	31/3/2022	Caveat to Connect First Credit Union Ltd.
5411013	31/3/2022	Personal Property Security Notice by Connect First Credit Union Ltd.
5411014/1	31/3/2022	Mortgage to Sundial Growers Inc.
5411015/1	31/3/2022	Caveat by Sundial Growers Inc.
5411016/1	31/3/2022	Personal Property Security Notice by Sundial Growers Inc.
5588205/1	27/10/2023	Certificate of Judgment – H.M. the King (Canada)
5610517/1	19/1/2024	Certificate of Judgment – H.M. the King (Canada)
5655886/1	9/7/2024	Transfer of Mortgage from Connect First to SNDL Inc.
5655915/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5655920/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5655922/1	9/7/2024	Misc – Name Change from Sundial Growers Inc. to SNDL Inc.
5660847/1	24/7/2024	Assignment of Caveat from Connect First Credit Union Ltd. to SNDL Inc.
5660856/1	24/7/2024	Misc – Transfer of Security Interest from Connect First Credit Union Ltd. to SNDL Inc.

SCHEDULE "C"
(to Sale Approval and Vesting Order)

Permitted Encumbrances

Instrument Nos. 2528190/1, 2687852/1, 2687853/1, 5008307/1, 5008308/1

SCHEDULE "B"

Form of Sale Approval and Reverse Vesting Order

COURT FILE NUMBER	2401-09688	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED	
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.	
APPLICANTS	DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.	
DOCUMENT	APPROVAL AND REVERSE VESTING ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors #2100 – 222 3 rd Ave SW Calgary, AB T2P 0B4 Attention: Ryan Zahara / Molly McIntosh Telephone: (403) 693-5420 / (780) 969-3501 Email: rzahara@mltaikins.com / mmcintosh@mltaikins.com File No. 0136555.00034	

DATE ON WHICH ORDER WAS PRONOUNCED: **January 10, 2025**

LOCATION WHERE ORDER WAS PRONOUNCED: **CALGARY, ALBERTA**

NAME OF JUSTICE WHO MADE THIS ORDER: **Justice M.A. MARION**

UPON THE APPLICATION by Delta 9 Cannabis Inc. (the “**Vendor**”) for an order: (i) approving the share purchase agreement made as of December 27, 2024 (the “**SPA**”), between the Vendor, Delta 9 Bio-Tech Inc. (“**Bio-Tech**”) and Simply Solventless Concentrates Ltd. (the “**Purchaser**”), for the purchase and sale of the Bio-Tech Shares (as defined in the SPA); (ii)

transferring and vesting all of Bio-Tech's right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts to and in a corporation to be incorporated ("**ResidualCo**"); (iii) vesting all of the Vendor's right, title and interest in and to the Bio-Tech Shares in the Purchaser (collectively, the "**Transaction**"); and (iv) approving the release of certain of Bio-Tech's directors and officers;

AND UPON HAVING READ the seventh affidavit of John Arbuthnot sworn December 30, 2024 (the "**Seventh Affidavit**") and the Sixth Report (the "**Sixth Report**") of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as court-appointed monitor (the "**Monitor**") dated [INSERT DATE];

AND UPON HEARING the submissions of counsel for the Vendor, the Purchaser, and the Monitor and its counsel, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of _____;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SPA and the Seventh Affidavit.

SERVICE

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL AND VESTING

3. The SPA and the Transaction be and are hereby approved and the execution of the SPA by the Vendor and Bio-Tech is hereby authorized and approved, with such minor amendments as the parties may deem necessary, with the approval of the Monitor. The Vendor and Bio-Tech are hereby authorized and directed to perform their respective obligations, and the Monitor is hereby authorized and directed to perform the obligations of ResidualCo, under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. This Order shall constitute the only authorization required by the Monitor, the Vendor, Bio-Tech, and ResidualCo to proceed with the Transaction and no shareholder, director or other approval or notice shall be required in connection therewith, including, without limitation, as necessary to approve or file any articles of amendment in respect of Bio-Tech.

5. Upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Vendor and Purchaser in accordance with the SPA (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, ResidualCo shall be added to these CCAA Proceedings as an Applicant;
- (b) second, except as explicitly set out in the SPA and the Implementation Steps, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined in the SPA) shall continue to attach to the Excluded Assets in accordance with paragraph **Error! Reference source not found.** of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (c) third, all Excluded Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of Bio-Tech, and all of Bio-Tech's assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate ("**Bio-Tech Property**") shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and Encumbrances affecting or relating to the Bio-Tech Property are to be expunged and discharged as against the Bio-Tech Property;
- (d) fourth, the Vendor shall sell, assign and transfer the Bio-Tech Shares to the Purchaser free and clear of all Encumbrances, except Permitted Encumbrances, in exchange for the payment of the Purchase Price. For certainty, all of the right, title and interest in and to the Bio-Tech Shares shall vest absolutely in the Purchaser, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and

whether based in statue or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the court in the CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry systems in any other jurisdictions; and (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Alberta) or any other real property or real property related registry or recording system in any other jurisdiction (all of which collectively referred to as “**Encumbrances**”, which term shall not include Permitted Encumbrances)

- (e) fifth, all securities in the capital of Bio-Tech, other than the Bio-Tech Shares, shall be cancelled without consideration.
- (f) sixth, the Purchase Price shall be released to the Monitor and the Purchase Price shall be satisfied in accordance with the terms of the SPA and shall be held by the Monitor for the benefit of the stakeholders of Bio-Tech until further Order of this Court;
- (g) seventh, Bio-Tech shall cease to be an Applicant in these CCAA Proceedings, and shall be deemed to be released from the purview of the Order of the Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to Bio-Tech) shall continue to apply in all respects; and
- (h) finally, following the completion of the steps above, the Purchaser shall be the sole legal and beneficial shareholder of Bio-Tech.

6. For purposes of determining the nature and priority of claims against ResidualCo, the Purchase Price shall stand in the place and stead of the Bio-Tech Shares and the Retained Assets, and from and after the Closing Time, all Liabilities and Encumbrances, including for greater certainty any amounts necessary to satisfy the amounts outstanding under the Administration Charge, with the exception of the Retained Liabilities and Permitted Encumbrances which shall, following the granting of this Order, continue to attach to Bio-Tech or the Retained Assets, as applicable, shall attach to the Purchase Price and the Excluded Assets

with the same priority as they had with respect to the Bio-Tech Shares and Retained Assets immediately prior to the Closing.

7. The Monitor shall file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction, but, for greater certainty, any delay in the filing of the Monitor's Certificate shall not delay the Closing.

8. The Monitor may rely on written notice from the Vendor and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

9. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), and section 20(e) of the *Personal Information Protection Act* (Alberta), the Vendor, Bio-Tech, or the Monitor, as the case may be, is authorized, permitted and directed to, prior to the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of Bio-Tech pertaining to past and current employees of Bio-Tech. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by Bio-Tech.

10. At the Closing Time and without limiting the provisions of paragraph 5 hereof, the Purchaser, Bio-Tech, and the Monitor shall be deemed released from any and all Excluded Liabilities (including all Claims other than Retained Liabilities) and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to Bio-Tech, provided, as it relates to the Purchaser and Bio-Tech, such release shall not apply to (a) Taxes in respect of the business and operations conducted by Bio-Tech after the Closing Date; or (b) Taxes expressly assumed as Retained Liabilities pursuant to the SPA, including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser and Bio-Tech (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the Income Tax Act, R.S.C. 1985 c.1 (5th Supp.), or any provincial or foreign tax equivalent in connection with Bio-Tech. For greater certainty, nothing in this paragraph shall release or discharge any Claims against ResidualCo with respect to Taxes that are transferred to ResidualCo.

11. Except to the extent expressly contemplated by the SPA, all Retained Contracts, will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing,

collectively being “**Persons**” and each being a “**Person**”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred at or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Applicant);
- (b) the insolvency of the Vendor or Bio-Tech or the fact that the Vendor and Bio-Tech commenced proceedings pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36 (as amended, the “**CCAA**”);
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of Bio-Tech arising from the implementation of the SPA, the Transaction or the provisions of this Order.

12. From and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of Bio-Tech then existing or previously committed by Bio-Tech, or caused by Bio-Tech, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and Bio-Tech arising directly or indirectly from the commencing by Bio-Tech of these CCAA Proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph **Error! Reference source not found.** hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse Bio-Tech from performing its obligations under the SPA or be a waiver of defaults by Bio-Tech under the SPA or related documents.

13. For greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of Bio-Tech or the Purchaser in respect of any Retained Liabilities, (b)

the designation of any Claim as a Retained Liability is without prejudice to any of Bio-Tech's or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the SPA shall effect or waive Bio-Tech or the Purchaser's rights and defenses both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liabilities.

14. From and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against Bio-Tech relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

15. Upon delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required in order to give effect to the terms of this Order and the SPA.

16. In order to affect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the SPA. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations such that Bio-Tech, the Bio-Tech Shares and the Retained Assets shall be free from all Claims and Encumbrances, with the exception of the Permitted Encumbrances.

17. From after the Closing Time:

- (a) except as contemplated by the SPA, the nature of the Retained Liabilities retained by Bio-Tech, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against Bio-Tech under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against Bio-Tech but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against Bio-Tech prior to the Closing Time.

18. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (as amended, the “**BIA**”), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ResidualCo,

the SPA and the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the sale, transfer and vesting of the Bio-Tech Shares in and to the Purchaser) and any payments by or to the Purchaser, Bio-Tech or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of Bio-Tech and/or ResidualCo and shall not be void or voidable by creditors of Bio-Tech or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

19. The amounts necessary to satisfy the Administration Charge and any claims under the Administration Charge against Bio-Tech, ResidualCo, the Retained Assets and the Bio-Tech Shares shall be paid by the Monitor from the Purchase Price from and after the Closing Date.

20. Without limiting anything in paragraph **Error! Reference source not found.**, as of the Closing Time:

- (a) ResidualCo shall be a company to which the CCAA applies; and
- (b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to: (i) an **"Applicant"** shall refer to and include ResidualCo; and (ii) **"Property"** shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (collectively the **"ResidualCo Property"**), and, for greater certainty, each of the Charges (as defined in the Initial Order), shall constitute a charge on the ResidualCo Property.

MONITOR

21. Nothing in this Order, including the release of Bio-Tech from the purview of these CCAA Proceedings pursuant to paragraph 5(f) hereof, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and A&M shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of A&M in its capacity as Monitor, all of which are expressly continued and confirmed.

22. No action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following an application brought on not less than ten (10) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

23. The Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of Bio-Tech or ResidualCo or to have taken or maintained possession or control of the business or property of

Bio-Tech or ResidualCo, or any part thereof; or (b) be deemed to be in possession of any property of Bio-Tech or ResidualCo within the meaning of any applicable Environmental Legislation and/or Cannabis Legislation or otherwise.

24. Notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be a director, officer or employee of ResidualCo, de facto or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

25. Nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo.

MONITOR'S ENHANCED POWERS

26. In addition to the powers and duties of the Monitor set out in the prior orders of this Court and the CCAA, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required to:

- (a) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof; and
- (b) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

WEPPA

27. Pursuant to section 5(5) of the *Wage Earner Protection Program Act* (Canada), S.C. 2005, c. 47 ("**WEPPA**"), Bio-Tech and each of its former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applies as of the date this Order (the "**Former Employees**").

28. Notwithstanding anything else in this Order, all of the Former Employees' claims against Bio-Tech for wages (as defined in the WEPPA) shall be an Excluded Liability Claim and shall

attach to ResidualCo in accordance with paragraph **Error! Reference source not found.** of this Order.

RELEASES

29. At the Closing Time: (i) the current director and officers of Bio-Tech; (ii) Bio-Tech's legal counsel and advisors; (iii) the Monitor and its legal counsel; (iv) the Purchaser and its legal counsel and their respective current directors, officers, partners, employees, consultants, advisors, and assignees; (v) Bio-Tech; and (vi) any directors or officers of ResidualCo (collectively, the **"Released Parties"**) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time or arising in connection with or relating in any manner whatsoever to the SPA, the Transaction, or the conduct of these CCAA Proceedings (collectively, the **"Released Claims"**), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is (i) not permitted to be released pursuant to Section 5.1(2) of the CCAA; or (ii) any of the Released Parties from the performance of their obligations pursuant to the Transaction.

30. Effective upon the filing of the Monitor's Closing Certificate, the current director and officers of Bio-Tech and ResidualCo (collectively, the **"Released D&Os"** and each a **"Released D&O"**) shall be and are hereby forever irrevocably released and discharged from any and all claims, including but not limited to claims for unpaid excise taxes, that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA Proceedings in respect of Bio-Tech, the business, operations, assets, property, and affairs of Bio-Tech and Bio-

Tech and/or these CCAA Proceedings (collectively, the “**D&O Released Claims**”), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished, and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O; (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) that is a Insured Claim (as hereinafter defined). For greater certainty, “current” in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transaction.

INSURED CLAIMS

31. Notwithstanding anything set out in any of the Orders made by the Court in these CCAA Proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability which is an insured claim (the “**Insured Claims**”) under any insurance policy maintained by Bio-Tech (collectively, the “**Insurance Policies**”) to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim, and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against Bio-Tech or the Released D&Os, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from Bio-Tech or any of the Released D&Os, other than enforcing such Person’s rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defenses of any insurer with respect to its obligations under any of the Insurance Policies.

CANADA REVENUE AGENCY SET-OFF

32. The Canada Revenue Agency’s right of set off is preserved to the extent that: (i) any amounts that are, or become, due to Bio-Tech or ResidualCo with respect to obligations arising prior to the CCAA filing date of July 15, 2024; or (ii) any amounts that are, or become, due to Bio-Tech or ResidualCo with respect to obligations arising after the CCAA filing date of July 15, 2024 are applied against any amounts that are, or become due, from Bio-Tech or ResidualCo with respect to obligations arising after the CCAA filing date of July 15, 2024.

GENERAL

33. Following the Closing Time, the Purchaser and its representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against Bio-Tech, the Bio-Tech Shares and the Retained Assets.

34. Following the Closing Time, the title of these CCAA Proceedings shall be changed to:

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC.,
DELTA 9 CANNABIS STORE INC., and RESIDUALCO.

35. This Order shall have full force and effect in all provinces and territories in Canada.

36. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or elsewhere, to give effect to this Order and to assist Bio-Tech, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Bio-Tech and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist Bio-Tech and the Monitor and their respective agents in carrying out the terms of this Order.

37. Each of Bio-Tech and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory, or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

38. This Order is effective from the date that it is made and is enforceable without any need for entry and filing.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
MONITOR'S CERTIFICATE

COURT FILE NUMBER	2401-09688	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	IN THE MATTER OF THE <i>COMPANIES' CREDITORS</i> <i>ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED	
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO- TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.	
APPLICANTS	DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIO- TECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC.	
DOCUMENT	MONITOR'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors #2100 – 222 3 rd Ave SW Calgary, AB T2P 0B4 Attention: Ryan Zahara / Kaitlin Ward Telephone: (403) 693-5420 / (780) 969-3501 Email: rzahara@mltaikins.com / mmcintosh@mltaikins.com File No. 0136555.00034	

RECITALS

A. Pursuant to an Order of the Honourable Justice Marion of the Court of King's Bench of Alberta, Judicial District of Calgary, dated January 10, 2025 (the "**Approval and Vesting Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the share purchase agreement made as of December 28, 2024, (the "**SPA**"), between Delta 9 Cannabis Inc. (the "**Vendor**"), as vendor, Delta 9 Bio-Tech Inc. ("**Bio-Tech**") and Simply Solventless Concentrates Ltd., as purchaser (the "**Purchaser**"), and ordered, *inter alia*, that (i) all of Bio-Tech's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in a corporation

to be incorporated ("**ResidualCo**"); (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by and vest in ResidualCo; (iii) all of the right, title and interest in and to the Bio-Tech Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Vendor and the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Vendor and the Purchaser that all conditions to closing have been satisfied or waived by the parties to the SPA.

B. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Vendor and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Monitor's certificate was delivered by the Monitor at _____ on _____, 2025.

Alvarez & Marsal Canada Inc., in its capacity as Monitor of DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS INC., DELTA 9 BIOTECH INC., DELTA 9 LIFESTYLE CANNABIS CLINIC INC. and DELTA 9 CANNABIS STORE INC., and not in its personal or corporate capacity.

Per: _____

Name:

Title:

SCHEDULE "C"

Form of Sealing Order

COURT FILE NUMBER 2401-09688
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DELTA 9
CANNABIS INC., DELTA 9 LOGISTICS INC.,
DELTA 9 BIO-TECH INC., DELTA 9 LIFESTYLE
CANNABIS CLINIC INC. and DELTA 9 CANNABIS
STORE INC.

APPLICANTS DELTA 9 CANNABIS INC., DELTA 9 LOGISTICS
INC., DELTA 9 BIO-TECH INC., DELTA 9
LIFESTYLE CANNABIS CLINIC INC. and DELTA 9
CANNABIS STORE INC.

DOCUMENT **TEMPORARY SEALING ORDER**

ADDRESS FOR SERVICE **MLT AIKINS LLP**
AND CONTACT Barristers and Solicitors
INFORMATION OF #2100 – 222 3rd Ave SW
PARTY FILING THIS Calgary, AB T2P 0B4
DOCUMENT Attention: Ryan Zahara / Molly McIntosh
Telephone: (403) 693-5420 / (780) 969-3501
Email: rzahara@mltaikins.com
mmcintosh@mltaikins.com
File No. 0136555.00034

DATE ON WHICH ORDER WAS PRONOUNCED: JANUARY 10, 2025
LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE M.A. MARION

UPON THE APPLICATION of Delta 9 Cannabis Inc. ("**Delta 9**"), Delta 9 Logistics Inc. ("**Logistics**"), Delta 9 Bio-Tech Inc. ("**Bio-Tech**"), Delta 9 Lifestyle Cannabis Store Inc. ("**Lifestyle**") and Delta 9 Cannabis Store Inc. ("**Store**" and collectively, with D9 Parent, Logistics, Bio-Tech, and Lifestyle, the "**Applicants**" or the "**Delta 9 Group**") for a temporary sealing order; **AND UPON** having read the Eighth Affidavit of John Arbuthnot, sworn on December 30, 2024 (the "**Eighth Affidavit**"), the Sixth Report of Alvarez & Marsal Canada Inc. (the "**Monitor**") filed on January ____, 2025 (the "**Sixth Report**"), the Confidential Appendices to the Sixth Report (the

the “**Confidential Materials**”), and the Affidavit of Service of _____, sworn on January ____, 2025; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and all other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.
2. The Confidential Materials shall be sealed until the earlier of: (a) completion of the Applicants’ proceedings under the CCAA; (b) July 10, 2025; or (c) by further order of the Court.
3. If directed by Court, copies of the Confidential Materials can be provided to the Clerk of the Court, who is hereby directed to seal any such copies in a sealed envelope which shall have a notice attached that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL DOCUMENTS.
THESE CONFIDENTIAL DOCUMENTS ARE SEALED ON COURT
FILE NO. 2401 09688 PURSUANT TO THE ORDER OF THE
HONOURABLE JUSTICE M.A. MARION ON JANUARY 10, 2025.
THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE
ACCESSED UNLESS OR UNTIL THE EARLIER OF: (a)
COMPLETION OF THE APPLICANTS’ PROCEEDINGS UNDER
THE CCAA; (b) JULY 10, 2025; OR (c) FURTHER ORDER OF THE
COURT.

Justice of the Court of King’s Bench of Alberta